

Frequently Asked Questions Indiana Public Water System Fee Program

The Indiana Department of Environmental Management (IDEM) is responsible for ensuring that Hoosiers have an adequate supply of safe drinking water. The agency carries out this responsibility by requiring each of Indiana's Public Water Systems (PWS) to comply with all federal and state drinking water rules and regulations.

Complying with these complex state and federal regulations requires significant effort and resources from the drinking water providers. Likewise, ensuring compliance with the regulations also requires a significant investment from IDEM. Because of recent additional federal regulations and new regulations that will soon be implemented, requiring even more IDEM resources, the 2003 General Assembly established new fees, which are designed to produce revenue from the PWSs being regulated that will support the IDEM drinking water program.

1. What PWSs are covered under this new fee program?

All PWSs, including community, non-transient non-community and transient non-community, are required to pay fees under this new program.

2. Can you give an example of each type of system and numbers of affected system?

"Community" water systems serve about 860 cities and towns, mobile home parks and subdivisions or homeowner associations outside of a city or town that provide water for the same population throughout the year.

"Non-transient non-community" water systems serve nearly 706 schools, childcare facilities, institutions and offices or businesses with 25 or more students or employees, and they provide water for the same population at least six months out of the year.

"Transient non-community" water systems serve approximately 2888 restaurants, motels, churches, campgrounds and businesses with less than 25 employees, and these systems provide drinking water for the public at least 60 days out of the year.

3. When does this program take effect, when will my system start paying a fee, and when will PWSs be notified about the fee amount they will be required to pay?

The fee program will become effective for all PWSs on January 1, 2004. The annual fee due each year will be phased in over a three year period

In 2004 each PWS will be notified shortly after July 1 and pay 1/3 of the fee established by the legislation.

In 2005 each PWS will be notified shortly after July 1 and pay 2/3 of the fee established by the legislation.

In 2006 and each year thereafter each PWS will be notified no later than January 15 and pay the full fee.

4. What are the Annual Fees for each PWS?

Community PWS

- Fewer than 400 service connections, \$350
- More than 400 service connections, ninety-five cents (\$0.95) per service connection.

Nontransient noncommunity PWS

Population Served	Fee
25-100	\$150
101-250	\$180
251-500	\$240
501-1000	\$300
1,001-3,300	\$450
3,301-5,000	\$600
5,001-10,000	\$1,500
Greater than 10,000	\$3,000

Transient noncommunity PWS

- If groundwater is the drinking water supply source, \$100.
- If the drinking water is purchased, \$50.
- If surface water is the drinking water supply, \$200.

5. Who determines what the fees will be for each PWS?

IDEM will use the data from its current inventory to determine the type of PWS, type of source water supply, and will work with community systems to determine the number of service connections.

6. When PWSs submit the fee to IDEM?

The fee must be received within thirty (30) days after the PWS is notified of its fee. Systems that do not submit the required fee may be subject to enforcement, delinquency charges and/or penalties. A fee is considered late if it is not paid

within thirty (30) days of notification. The delinquency charge is 10 percent of the fee.

7. How much revenue will these fees provide for the Safe Drinking Water Program?

In 2004, approximately \$666,000.

In 2005, approximately \$1,333,000.

In 2006, approximately \$2 million.

8. What will this fee cost the typical Hoosier household?

If a PWS chooses to pass along the annual fee to customers, the cost for the typical Hoosier household will be approximately \$0.08/month.

9. What will this fee be used for?

The fees will be used to defray some of the costs of administering the federal Safe Drinking Water Act, including implementing the new rule, conducting additional inspections, enhancing drinking water security, providing compliance assistance, certifying operators, protecting source water, and providing necessary data management. IDEM will also meet with interested stakeholders to gain input on the use of the fees and how best to improve the program.

10. Will these new fees cover IDEM's cost of providing clean and safe water for Hoosiers?

Under the federal Safe Drinking Water Act (SDWA), EPA currently supports a large portion of IDEM's drinking water program budget. About 20% of the current budget is general fund dollars, provided by Hoosier taxpayers. With the addition of these fees, approximately 44% of the program funding will be fees. The Environmental Protection Agency (EPA) has recently adopted more SDWA regulations, which in turn has increased IDEM's drinking water program costs. It is anticipated that continuous amendments to the SDWA in the upcoming years will result in additional costs for IDEM's drinking water program.

The fees adopted this year will allow IDEM to address the most recent amendments to the SDWA. However, they may not be sufficient to cover the additional amendments to the SDWA expected in the upcoming years.

11. Who or what gives IDEM this authority to raise fees?

The General Assembly granted the authority in House Enrolled Act 1001, which was signed into law on May 8, 2003. The law is included in Indiana Code Title 13, Article 18, Chapter 20.5 (IC 13-18-20.5).